

TENNESSEE REGULATORY AUTHORITY

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TRA APPROVES RATE DECREASE FOR CUSTOMERS OF CHATTANOOGA GAS COMPANY

NASHVILLE -- Natural Gas rates are coming down in Chattanooga.

In a unanimous decision today, directors of the Tennessee Regulatory Authority (TRA) approved a rate decrease totaling 1.16 million dollars.

While a unanimous decision was handed down by the TRA, to whom the rate decrease will be given will be determined and made public at the TRA's August 4th conference. Recipients of the rate decrease will either be the company's residential customers, its small commercial business customers or its large industrial customers.

Before it is determined who exactly will benefit from the rate decrease, Chattanooga Gas Company, the Consumer Advocate Division of Tennessee and Associate Valley Industries, which is an organization of Chattanooga's industrial customers, will meet to prepare a proposal for the TRA that will recommend who they believe should be the recipient of the rate decrease.

In addition, Directors of the TRA will also study the complexities of rate decrease design and present their decision during the August 4th conference.

Chattanooga Gas Company is a wholly owned subsidiary of Atlanta Gas Incorporated. They are the sole provider of natural gas for all of Hamilton County and also provides natural gas service to parts of Bradley County, including Cleveland, Tennessee. Their primary service customers include residential areas, small commercial businesses and large industrial customers.

During a public hearing held earlier this month, Chattanooga Gas petitioned the TRA for a rate *increase* of \$4.4 million dollars. The request was denied by the TRA.

The new rates will be in effect by the start of the winter season in 1999.

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